

Exhibit 2

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
FERC ELECTRIC TARIFF
FIRST REPLACEMENT VOLUME NO. I

FERC ELECTRIC TARIFF
FIRST REPLACEMENT VOLUME NO. I
OF
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

COMMUNICATIONS CONCERNING THIS TARIFF SHOULD BE SENT TO:

Roger Smith
Senior Regulatory Counsel

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

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law. The ISO shall cooperate with the affected Market Participant to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

20.4 Staffing and Training To Meet Obligations.

The ISO shall engage sufficient staff to perform its obligations under this ISO Tariff in a satisfactory manner consistent with Good Utility Practice. The ISO shall make its own arrangements for the engagement of all staff and labor necessary to perform its obligations hereunder and for their payment. The ISO shall employ (or cause to be employed) only persons who are appropriately qualified, skilled and experienced in their respective trades or occupations. ISO employees and contractors shall abide by the ISO Code of Conduct for employees contained in the ISO bylaws and approved by FERC.

20.5 Accounts and Reports.

The ISO shall notify Market Participants of any significant change in the accounting treatment or methodology of any costs or any change in the accounting procedures, which is expected to result in a significant cost increase to any Market Participant. Such notice shall be given at the earliest possible time, but no later than, sixty (60) days before implementation of such change.

20.6 Titles.

The captions and headings in this ISO Tariff are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the rates, terms, and conditions of this ISO Tariff.

20.7 Applicable Law and Forum.

This ISO Tariff shall be governed by and construed in accordance with the laws of the State of California, except its conflict of laws provisions. Market Participants irrevocably

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consent that any legal action or proceeding arising under or relating to this ISO Tariff to which the ISO ADR Procedures do not apply, shall be brought in any court of the State of California or any federal court of the United States of America located in the State of California. Market Participants irrevocably waive any objection that they may have now or in the future to said courts in the State of California as the proper and exclusive forum for any legal action or proceeding arising under or related to this ISO Tariff.

20.8 Consistency with Federal Laws and Regulations

- (a) Nothing in the Tariff shall compel any person or federal entity to: (1) violate federal statutes or regulations; or (2) in the case of a federal agency, to exceed its statutory authority, as defined by any applicable federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Tariff is inconsistent with any obligation imposed on any person or federal entity by federal law or regulation to that extent, it shall be inapplicable to that person or federal entity. No person or federal entity shall incur any liability by failing to comply with a Tariff provision that is inapplicable to it by reason of being inconsistent with any federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or federal entity shall use its best efforts to comply with the Tariff to the extent that applicable federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.
- (b) If any provision of this Tariff requiring any person or federal entity to give an indemnity or impose a sanction on any person is unenforceable against a federal entity, the ISO shall submit to the Secretary of Energy or other appropriate Departmental Secretary a report of any circumstances that would, but for this provision, have rendered a federal entity liable to indemnify any person or incur a sanction and may request the Secretary of Energy or other appropriate